

Commonwealth of Kentucky  
Personnel Cabinet

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**STATE EMPLOYEE HEALTH INSURANCE BENEFITS TO REMAIN  
UNCHANGED FOR 2007 PLAN YEAR**

*Premium increases 30 percent less than projected*

FRANKFORT, Ky. – Governor Ernie Fletcher and Personnel Cabinet Secretary Brian Crall today announced that state employees will see no change in benefits under the 2007 state employee health insurance plan, and that employee contributions will only increase by 5.93 percent.

“Thanks to a successful transition to self-insurance this year, we are able to provide the same benefits with a minimal cost increase to our employees,” said Governor Fletcher. “I applaud the Personnel Cabinet and the health policy team for their hard work in making this happen.”

The increase in employee contribution for 2007 is 30 percent lower than the earliest projections and 50 percent lower than national health trends. This is consistent with Governor Fletcher’s commitment to reduce premium increases. Similar state self-insurance programs have increased by up to 8 percent.

Active employees will also have an additional plan option for 2007. Commonwealth Select is a high-deductible plan coupled with a health reimbursement account (HRA). The HRA can be used to defray applicable health related expenses, such as co-payments, co-insurance, deductibles and certain over the counter products. Rollover of the HRA dollars is allowable each year for those who remain enrolled in the plan.

For employees that waive coverage, the employer contribution of \$175 per month will now go to a health reimbursement account. Rollover of HRA funds is allowable each year for those who continue to waive it, unlike the Flexible Spending Account, which forfeits any unused funds at the end of the year.

Details of the plan will be made available during the health insurance open enrollment process, which begins October 16.